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14 Sept 62

CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

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THE WEEK IN BRIEF
(Information as of 1200 EDT 13 Sept)

SOVIET FOREIGN POLICY DEVELOPMENTS Page 1

Although Moscow's statement of 11 September on Cuba was designed to advance a variety of Soviet objectives, the most immediate aim was to deter the US from active intervention in Cuba. While the statement again avoided a specific commitment to defend Cuba, it further engaged the USSR's prestige in ensuring the survival of the Castro regime.

The statement conveyed an indirect assurance that Moscow does not intend to confront the US with simultaneous challenges in both Cuba and Berlin. The Soviet leaders apparently envisage a hiatus in serious Berlin talks until late this year. This will provide time for them to assess the impact on the West's negotiating position of attacks on US "aggressive actions" at the UN as well as of probable maneuvers to involve the UN in a Berlin settlement.

Moscow may attempt to strengthen its position in the UN disarmament debate by introducing a new test-ban proposal based on the "compromise" plan advanced at Geneva last April by the eight nonaligned nations. [REDACTED]

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SOVIET MILITARY AID TO CUBA Page 4

The flow of Soviet military equipment and personnel to Cuba continues. [REDACTED]

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[REDACTED] Soviet MIG-21 (Fishbed) single-jet interceptors have also arrived in the current deliveries, as well as tanks, artillery, and large amounts of transportation equipment. [REDACTED]

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OAS ATTITUDES ON CUBA Page 5

Most Latin American governments are apparently willing to have foreign ministers meet this month or early in October to discuss the Soviet presence in Cuba, but prefer an informal meeting rather than invoking the formal machinery of the Organization of American States. Peru and several others will not attend if Venezuela persists in demands that the meeting should also discuss military coups. Brazil and Mexico are willing to participate but will probably be reluctant to endorse any joint action against Cuba. [REDACTED]

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SINO-INDIAN BORDER DISPUTE Page 7

Prospects for Sino-Indian talks this fall, even on procedural matters, are dim in view of Peiping's recent charge that New Delhi is seeking to use "phony negotiations" to cloak military pressure against China along the disputed border. Skirmishes may recur in the next four or five weeks, after which weather conditions will force a reduction in forward patrolling. [REDACTED]

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YUGOSLAVIA'S NEW CONSTITUTION Page 8

The new Yugoslav constitution, to be made public on 20 September and adopted before the end of the year, aims to improve governmental efficiency, institutionalize the regime's unique internal system, and provide for the orderly transfer of power after Tito's death. Some of its provisions, however, will probably cause conflicts within the regime and between the republics and the federal government. The document will be opposed in the bloc on ideological grounds, but Moscow will probably refrain from attacking Belgrade with vigor in the interest of continuing their rapprochement. [REDACTED]

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ALGERIA Page 10

The authority of Ben Bella and his political bureau is not being openly challenged--at least for the moment. Algerian Popular Army chief Colonel Boumedienne and his military staff are potential challengers, however, while Ben Bella's opponents in Wilayas III and IV retain their troops and arms. Ben Bella is trying to reassure European interests, but these as well as the French Government are awaiting clearer signs of what his economic program will be. [REDACTED]

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CONGO Page 11

UN chief representative Gardiner has presented to Adoula and Tshombé the schedule of specific steps to get Katangan reintegration under way. Progress is likely to be slow. The Leopoldville-Katangan joint commissions envisaged in the plan are almost certain to become involved in lengthy palaver. The draft federal constitution is nearly completed, but UN officials are already concerned that the Congolese parliament may not ratify it. Congolese and Katangan military forces, meanwhile, continue to jockey for position in northern Katanga. The release from detention of South Kasai "King" Albert Kalonji may presage the release of leftist former Stanleyville leader Gizenga. [REDACTED]

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LAOS Page 13

There are continuing indications that North Vietnamese troops in Laos have been pulled back from forward areas, but there is no further evidence that significant numbers have actually been withdrawn. At least some North Vietnamese forces appear to be remaining to bolster the Pathet Lao.

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Meanwhile, Souvanna is on a tour of several rightist-held towns, probably in an effort to drum up popular support for the coalition government. The government now is in the process of establishing diplomatic relations with North Vietnam and Communist China, but apparently has deferred exchanging diplomatic missions with East Germany and North Korea. [REDACTED]

SOUTH VIETNAM Page 15

Viet Cong guerrilla activity has again increased after several weeks of decline. Small-scale attacks continue against the government's regular and paramilitary forces, along with sabotage of road and rail facilities. The Viet Cong, despite losses inflicted by increasingly effective government security operations, retain a capability to make coordinated attacks using several battalions. [REDACTED]

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CEYLON Page 16

Prime Minister Bandaranaike's failure to make any significant headway in the economic sphere during her two-year rule is creating serious political problems for the government. The regime seems able to withstand the current political wrangling within its own ranks [REDACTED] but may be losing some of its original strong popular support. [REDACTED]

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IRAQ Page 17

The gradual erosion of Prime Minister Qasim's support continues. Opposition elements are still disorganized, however, and are kept off balance by Qasim's policy of playing off his antagonists against each other. The army's failure to suppress the Kurdish rebellion is increasing dissatisfaction among army leaders, who might attempt a coup to save face. Assassination is the most likely means of removing Qasim. [REDACTED]

BRITISH GUIANA Page 18

Political maneuvering is growing more intense in advance of the London conference on independence, now contemplated for late October. Dissatisfaction with Premier Jagan seems to be increasing among the East Indian population, although not to the point of challenging his leadership of the People's Progressive Party. The opposition to him remains seriously divided and unable to agree on a position to take at the forthcoming conference. Meanwhile, the country's economic position continues to deteriorate. [REDACTED]

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SWEDEN Page 19

Osten Unden, Sweden's foreign minister since 1945 and widely regarded as the architect of its alliance-free foreign policy, is to retire later this month and will probably be succeeded by another Social Democratic leader, Torsten Nilsson. Nilsson, a former minister of defense, is staunchly pro-Western. He is not likely to advocate any marked changes in foreign policy, but he will probably adopt a more flexible attitude about cooperating with Western Europe. In the absence of prospects for an agreement on disarmament, he will probably support those elements in the cabinet and the party which favor Sweden's acquiring an independent nuclear weapons capability.

DE GAULLE'S VISIT TO WEST GERMANY Page 20

During his 4-9 September tour of West Germany, De Gaulle went to extraordinary lengths, even for him, to win popular support for himself and his European policy. Bilateral cooperation between France and West Germany will probably become even closer than before. However, some of De Gaulle's statements have stiffened Benelux opposition to his concept of a loose European confederation with the Bonn-Paris alliance at its center.

POLITICAL DEVELOPMENTS IN FRANCE Page 21

Mounting interest in De Gaulle's prospective announcement of a referendum on a proposal to elect his successor by universal suffrage overshadows the senatorial elections of 23 September, in which no noteworthy shifts are expected. The minor cabinet reshuffle announced on 11 September has led to some speculation that De Gaulle is grooming a successor to Premier Pompidou.

SPECIAL ARTICLES

THE EAST GERMAN ARMED FORCES Page 1

The armed forces of East Germany, with Soviet assistance, have continued a gradual buildup which is probably intended chiefly to make East Germany a more effective member of the Warsaw Pact alliance. They now have a capability for conducting limited defensive operations and maintaining order within the country except in the event of widespread revolt. Khrushchev's threats to conclude a peace treaty with the Ulbricht regime have not been accompanied by any substantially increased flow of Soviet military aid or other sudden increase in East Germany's armed strength.

KHRUSHCHEV, CEMA, AND THE CHINESE Page 6

In a recent major policy statement, Khrushchev has clarified the double task which he envisages for the Communist bloc's Council for Mutual Economic Assistance (CEMA).

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He is planning to have CEMA take a more active role in achieving the economic integration of its member states as one means of countering the growing impact of the European Common Market (EEC). He is also using it to exert economic pressures on those Communist countries, led by the Chinese, which were excluded from membership at the June meeting of CEMA because they refuse to fully support the Soviet Union. Peiping's response has been to renew its polemical attacks on Khrushchev's leadership and views.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****WEEKLY REVIEW****SOVIET FOREIGN POLICY DEVELOPMENTS**

Moscow's statement of 11 September on Cuba was designed to advance a variety of Soviet objectives, foremost among them being to deter the US from active intervention in Cuba. It was intended as the USSR's response to President Kennedy's request for authority to mobilize reserves--a move which the Soviet leaders felt called for a strong reaffirmation of their support for Castro.

Although this statement, like previous Soviet pronouncements on Cuba, used vague and ambiguous language to avoid a clear-cut commitment to defend the island in all contingencies, it has further engaged Soviet prestige in ensuring the survival of the Castro regime. Moscow carefully refrained from spelling out its precise reactions in the event of an attack on Cuba. In some respects, the statement was less specific than previous Soviet warnings, such as that contained in Khrushchev's letter of 18 April 1961 to President Kennedy. As before, however, Moscow attempted to create the impression that Cuba is under the protection of the full range of Soviet nuclear and missile power.

In addition to the deterrent effect, the Soviet statement was calculated to enable Moscow to claim full credit for having protected Cuba if no US-supported invasion or interference with Soviet shipping materializes.

The Russians apparently were also seeking to check growing concern in the US and Latin America over Soviet intentions in Cuba. The statement stressed the defensive nature of Soviet military equipment being furnished the Cubans and implicitly

denied any intention to establish Soviet military bases in Cuba. In this connection, Soviet Ambassador Dobrynin told Ambassador Stevenson on 6 September that only defensive weapons were being shipped and that both the Cubans and Russians were genuinely apprehensive over a possible US attack on Cuba. The statement, moreover, conveyed an indirect assurance that Moscow will not confront the US with simultaneous challenges in both Cuba and Berlin.

At the same time, however, the USSR strongly advanced the argument that it has a right to provide military assistance to Cuba and cited the existence of US military alliances and bases on the periphery of the Sino-Soviet bloc and the presence of American fleets in the Mediterranean and the Taiwan Strait. The statement reflected the Soviet leaders' long-standing desire to "settle old accounts" with the US by establishing a military and political presence close to the US in an area which traditionally has been an American sphere of influence. Moscow's policy toward Cuba has been strongly influenced by this desire to establish the USSR's claim to great-power equality with the US.

Although the statement was brusque and threatening regarding Cuba, it was moderate on Berlin. Moscow apparently intends to launch a strong attack on US policy at the UN General Assembly. The Soviet leaders appear to recognize that these tactics will rule out any progress in the Berlin talks for the time being. The statement tacitly acknowledged this by noting that a "pause now has

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been reached" in these talks and by observing that it is "difficult" for the US to negotiate during an election campaign.

Although Moscow reiterated the usual line that it favors the "earliest conclusion" of a German peace treaty and a Berlin settlement, the Soviet leaders probably do not wish to break off diplomatic contact altogether. They probably envisage a resumption of high-level talks on Berlin late this year. They may feel that, in the meantime, propaganda denunciation of US "aggressive actions" will enable them to further delay a separate peace treaty with East Germany without appearing to retreat on this issue. Such a delay would also permit them to assess the impact on the West's negotiating position of this propaganda offensive as well as of probable maneuvers on their part to involve the UN in a Berlin settlement.

Dobrynin informed Ambassador Stevenson that Khrushchev would not attend the UN General Assembly before mid-November, but left the impression that no final decision had been reached and that there was more than a possibility that the Soviet premier will come to New York. Dobrynin said Foreign Minister Gromyko would deliver the Soviet speech during the Assembly's general debate.

Local Berlin Developments

Soviet authorities in East Germany continued to comply with Western instructions on transporting their guards to and from the Soviet war memorial in West Berlin. There have been no incidents to date.

The Soviet officer in charge of the guard convoy, however, refused to acknowledge a Western request on 10 September that the guards be transported in buses rather than in armored personnel carriers. He asserted that any communication must be addressed to General Yakubovsky, chief of the Soviet forces in East Germany.

The Soviets nevertheless, are evidently preparing to comply with the Allied request. A Soviet Embassy spokesman made a statement to this effect in a background briefing to a West German correspondent. He asserted that the use of the armored personnel carriers was necessary for the protection of the guards and implied that, if the security of the guards could be assured, they could return to the use of buses.

Allied military convoys have not experienced any difficulties or delays in transiting the autobahn, despite Soviet hints to retaliate against Western access.

De Gaulle Visit to West Germany

Soviet propaganda on De Gaulle's visit to West Germany has attacked the French for "following in the wake of Bonn" on major international issues. Moscow claimed, to be surprised at the "naivete" of French leaders who think that Paris and not Bonn will dominate the close alignment between the two countries.

Moscow gave wide coverage to De Gaulle's appeal for a "dam" against the USSR and asserted that French policy on a military and political union with West Germany is "shortsighted and dangerous." It charged that France plans to harness its nuclear capacity to West German "revanchism."

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The USSR continues, however, to avoid attacks on De Gaulle personally.

Disarmament and Nuclear Test Ban

At the final session of the Geneva disarmament conference prior to the recess, Soviet delegate Kuznetsov delivered a harsh indictment of US policy, charging that the US was seeking to expand the arms race and planning preventive war. He and the satellite delegates insisted that no progress had been achieved since the opening of the conference and blamed the US for the impasse.

Kuznetsov charged that the US aimed to undermine Soviet security by proposing a reduction of nuclear delivery vehicles while at the same time maintaining US bases abroad. He rejected all Western control proposals on the ground that they were designed to give the West military advantages over the USSR.

The Soviet delegate also reaffirmed the standard Soviet position on a test ban and termed the US and British position as "tough and uncompromising." He charged that the US and Britain were unwilling to take as a basis for negotiations the "compromise" memorandum of the eight nonaligned powers.

In an informal meeting with the US delegate on 7 September, Kuznetsov firmly indicated that the USSR will not compromise on the question of obligatory on-site inspection under any test-ban agreement. He attempted to play up the importance of Soviet acceptance of an international commission, claiming that this had only been achieved after several days' debate in the Soviet party central committee. He expressed confidence that the Soviet Union would issue invitations for on-site inspection if the commission, after consultation, was not satisfied about the

nature of any suspected seismic events. He stated, however, that the USSR could not commit itself in advance to issue the invitation in each and every instance.

Kuznetsov's remarks to Ambassador Dean and Soviet propaganda stress on the neutralists' "compromise" memorandum suggest that the USSR may be drafting a treaty based on the memorandum for presentation during the UN discussion of the test ban issue. Moscow probably feels that this draft, which would modify the Soviet draft treaty of November 1961 and provide for invitational on-site inspection of suspicious events, will place the USSR in a better position during the debate and will draw considerable support from the uncommitted nations. The Soviets are probably confident that, given the US announcement of more high-altitude tests, there will be a neutralist move at the UN for a ban on atmospheric, underwater, and outer-space tests, coupled with an uncontrolled moratorium on underground testing.

Congo

Soviet reaction to the UN Congo reunification plan indicates that while Moscow seeks to maintain overt good relations with the Adoula government, the primary Soviet interest continues to lie in an enduring political instability in the Congo. Characterizing the plan as a Western "conspiracy," Moscow declared that the only function of the UN is to neutralize foreign interests in Katanga, a task which should require no more than a month, after which time the UN should withdraw.

This renewed note of urgency in Moscow reflects Soviet sensitivity to the possibility of a solution of the Congo problem under Western auspices and may presage Soviet efforts to end the UN Congo operation at the forthcoming UN General Assembly meeting.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SOVIET MILITARY AID TO CUBA**

The flow of Soviet military equipment and personnel to Cuba continues. As of 8 September Soviet ships were still leaving the USSR with military cargoes for Cuba, many of them now making their second voyages in the current series of shipments. Another Soviet passenger vessel disembarked personnel in Cuba this week, raising

Current Soviet deliveries also have included additional

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the total number of Soviet personnel believed to have arrived in connection with the current shipments to at least 3,500 and possibly many more.

combat aircraft. [] at least one Soviet MIG-21 (Fish-bed) single-jet interceptor had been assembled at Santa Clara airfield, and [] the total number of MIG-21s to be located there may be as high as 20. Introduction of this aircraft--normally armed with air-to-air missiles--into operational status in Cuba doubtless will require extensive Soviet assistance.

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Such assistance is still being provided on older models of Soviet fighters in the Cuban Air Force. Prior to the delivery

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of the MIG-21s, Cuba had about 60 MIG fighters, including Fagots (MIG-15s), Frescos (MIG-17s), and at least a dozen Farmers (MIG-19s), all of which were delivered in mid-1961. So far no bloc bombers are known to be in Cuba.

Additional tanks (probably including T-54s), assault guns, field and antiaircraft artillery, and large numbers of trucks and transportation equipment also have arrived in Cuba recently. Information available thus far, however, suggests the bulk of current shipments is made up of equipment to strengthen Cuba's air

and coastal defenses rather than the ground forces, which have been receiving Soviet land armaments for more than two years. The large amounts of motor transport equipment, electronics equipment, and other material associated with each missile installation could account for most of the current shipments.

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OAS ATTITUDES ON CUBA

Most Latin American governments appear willing to have their foreign ministers attend an informal meeting in late September or early October to discuss the recent arrival in Cuba of Soviet military technicians and material.

The Central American countries, the Dominican Republic, Venezuela, Colombia, and Argentina are taking the strongest positions in favor of collective action against the increasing Soviet presence, some feeling that an informal meeting is not a sufficiently forceful show of concern.

Several countries have indicated, however, that their foreign ministers will attend only if the meeting is truly informal rather than an official session of the Organization of American States (OAS), and only if the discussion is confined to the Cuban problem. Brazil, Mexico, and Haiti are willing to take part in an informal meeting, but will probably be reluctant to endorse any joint action against Cuba.

Venezuela, still smarting over its recent failure to convoke a formal meeting of OAS foreign ministers in response to the Peruvian coup, insists that the meeting should also discuss military take-overs of Latin American governments. Any such agenda would probably

result in a boycott by Peru, Paraguay, and Argentina. Peru in any case will probably not attend, even though disturbed by Cuban developments, in the expectation that Venezuela will bring up the subject whether it is on the agenda or not.

Chile will not attend for fear that the Lauca River dispute with Bolivia will be brought up. Bolivia has suspended its participation in the OAS because the organization has not taken the action Bolivia sought in the dispute with Chile, and hence will attend the foreign ministers' meeting only if it is in fact informal. Although the Mexican foreign minister probably will not attend because he plans to tour the Orient with President Lopez Mateos, his government is willing to have its acting foreign minister at the meeting.

An indication of the difficulties to be encountered in trying to get an agreement for joint action is the failure in late August of the Guatemalan effort to invoke the Rio Treaty against Cuba. Several countries, most notably Brazil and Mexico, have felt strongly that the OAS must not take action in matters which they feel are internal affairs of a hemisphere country. There are indications, however, that Mexico is becoming increasingly concerned about the Soviet buildup.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SINO-INDIAN BORDER DISPUTE**

Both India and Communist China are maintaining a tough, unyielding military stand along the disputed border, and new clashes have occurred. In early September Peiping charged that "large numbers" of Indian troops fired some 200 rounds at a small Chinese force in the Chip Chap River area of Ladakh.

there was a separate clash the previous day in the same area, with the odds greatly reversed. At the other end of the Sino-Indian border, in the Northeast Frontier Agency, recent press reports claim the Chinese have crossed into Indian-claimed territory adjacent to Bhutan.

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Skirmishing may recur during the next four or five weeks. Thereafter severe winter conditions will hinder forward patrolling and force both sides to withdraw to more permanent, less exposed positions.

Each side, meanwhile, is seeking to bring the problem to the conference table, but on terms unacceptable to the other. At present, prospects for talks even on procedural matters seem dim.

India's latest note, dated 22 August, proposed a meeting of Indian and Chinese representatives in New Delhi to discuss preliminary matters but reiterated that Chinese withdrawal from the disputed area of Ladakh is essential to the start of "purposeful" negotiations.

While Peiping has not yet formally replied, a People's

Daily editorial of 7 September indicates that the Chinese will not accept the bid for exploratory discussions. The editorial calls the Indian proposal an attempt to use "phony negotiations" to cloak military pressure against China. It calls once again for negotiations without conditions. Peiping probably regards New Delhi's initiative for talks as a victory for the tough Chinese stand against Indian military pressures in Ladakh.

The Indian Government, already under fire domestically for its "vacillating" China policy, is unlikely to yield in its demand for a Chinese pull-back in Ladakh. New Delhi may in fact welcome a Chinese rejection of its offer to open preliminary talks--not only on domestic grounds but also as refutation of Peiping's persistent propaganda efforts to portray India as the intransigent party in the dispute. 25X1

YUGOSLAVIA'S NEW CONSTITUTION

On 20 September, a joint meeting of Yugoslavia's Parliament and of the federal board of the mass political organization (SAWPY) will begin debate on a draft of the country's new constitution. After this group has approved the draft in principle, the local units of SAWPY will organize meetings to explain the document to the public. The new document is intended primarily to improve governmental efficiency, institutionalize the regime's unique internal system, and achieve greater stability by providing for the orderly transfer of political power after Tito's death.

The constitution, according to the Yugoslav press, will

call Yugoslavia a "socialist republic." Such a status in the Marxist lexicon is an important step toward Communism and equivalent to the level of development which the USSR claims to have achieved in 1936. Yugoslavia's pretensions to a similar status is intended to enhance its prestige in the Communist world and in Marxist-oriented non-aligned states.

This claim will be opposed in the bloc on ideological grounds. Otherwise Yugoslavia, which has not met many of Moscow's criteria for such status, would outrank most of the European satellites. Other than the USSR, only Czechoslovakia has thus far been allowed to declare itself a socialist republic.

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The new constitution will also institutionalize many features of Yugoslavia's domestic system which are considered heretical by the bloc, such as workers' councils and administrative and economic decentralization.

Moscow, however, will probably refrain from attacking Belgrade's pretensions with any vigor in the interest of continuing the present rapprochement. Peiping and Tirana, consistent opponents of the Belgrade regime, may condemn the entire document in strong terms.

Apparently in the belief that when the 70-year-old Tito dies no one man can fill his shoes, the regime seems to be setting the stage for rule by a triumvirate of the secretary general of the League of Communists (Yugoslavia's party), the president of the republic, and the president of the Federal Executive Council (premier). All three posts now are held by Tito.

[redacted], the constitution will redefine the functions of the presidency and premiership. After the new law is adopted, Tito is expected to step down from the premiership in favor of Edvard Kardelj, who would become the government's chief administrative officer. By retaining the presidency, Tito would still represent Yugoslavia at heads-of-state gatherings and set overall governmental policy.

The constitution will also strengthen the government as an organization separate from the party by discouraging persons from holding high party and governmental posts simultaneously. To prevent the govern-

ment's degeneration into a stagnant bureaucracy and to bring new blood into its leadership, the constitution will limit the tenure of most government positions.

As in all Communist states, the party is the primary source of power in Yugoslavia. Aleksander Rankovic seems to be the leading contender for party leadership after Tito's death. Should Rankovic bid for unchallenged power, the provisions of the new constitution probably would not prevent his achieving that goal but would make it more difficult than now is the case. Regime hopes to ease the succession problem would therefore not seem to be assured. The constitution may instead have made the succession issue potentially more explosive by providing Kardelj as premier a semi-independent power base from which to contest any moves by Rankovic as party leader to assume dictatorial powers.

The constitution will also redistribute power among the federal government, the republics, and the opstinas, Yugoslavia's smallest territorial unit. This was the issue which was most hotly contested in the sessions of the constitutional revision commission. The Yugoslav federalists wanted to diffuse the republic's powers among the opstinas so that the federal government would be left the only effective seat of power. Republican nationalists were apparently able to defeat this move, however, so that the republics and opstinas will probably have their powers increased at the expense of the federal authorities. [redacted]

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****ALGERIA**

The authority of Ben Bella and his political bureau has not been effectively challenged since 9 September, when Colonel Boumedienne personally led some 4,000 troops of his National Popular Army (ANP) into Algiers. However, Boumedienne himself and members of his military staff are potential challengers, and Ben Bella's opponents in Wilayas III and IV retain their troops and arms.

The ANP entry into Algiers --displaying heavy equipment and other evidence of Soviet bloc aid--apparently was not envisaged in the earlier compromise whereby the leaders of Wilayas III and IV agreed to make the capital a "demilitarized" city. The move probably was a concession by Ben Bella to ANP officers

The appearance of a demilitarized city is being maintained, however. The ANP troops are said to be quartered on the periphery of the city, although they obviously are easily available to back up the political bureau if necessary. According to press reports, no armed soldiers were visible in Algiers on 11 September. Wilaya III forces reportedly suffered few if any casualties in the recent fighting, and appear to have withdrawn intact into the Kabylie mountains to await further developments.

The US Consulate General in Algiers thinks it conceivable, although not likely, that the ANP could assume power before the elections, now scheduled for 20 September.

The consulate points out that a military coup would be somewhat easier before the installation of an assembly possessing the sanction of a popular vote:

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[REDACTED] The public generally remains uncommitted to any faction. 25X1

Ben Bella is continuing efforts to reassure the European community. He reportedly has told the French Consul General that all Europeans arrested while Wilaya IV controlled Algiers will be released. A high official of the Ministry for Algerian Affairs told a US Embassy officer in Paris on 6 September that he did not regard Ben Bella as the wild-eyed extremist pictured by certain press circles, and felt that the Algerian leader was not unduly inclined to listen either to local Communists or to the USSR. The French official said that the political bureau would probably prove sufficiently reasonable and interested in getting the country on its feet to enable Paris to do business with it.

France nevertheless has moved cautiously on major aid projects, partly to await the Algerian elections, but also because there have been Algerian threats to nationalize European-evacuated property on a large scale, and such action would increase compensatory costs for France.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****CONGO**

UN officials in New York and Leopoldville have worked out the schedule and procedures for carrying out the UN plan to reintegrate Katanga into the Congo. UN Chief Representative Gardiner on 11 September presented these to Congolese Premier Adoula and to Katangan President Tshombé.

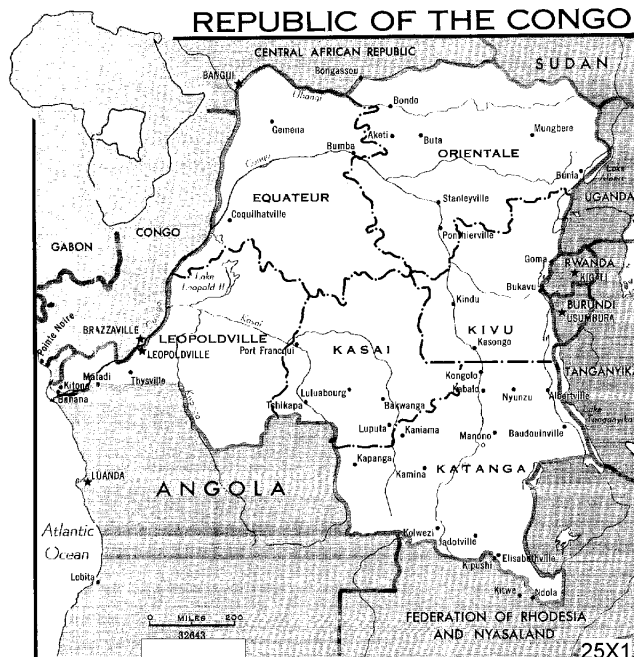
The plan consists essentially of producing a new federal constitution, splitting Katanga's revenues with the central government, and assimilating the Katangan forces into the Congo National Army (ANC). The first phase involves setting up several joint Leopoldville-Katangan commissions which, with the help of UN experts, are to work out details.

Progress is likely to be slow. The mechanics of the joint commissions appear cumbersome. Differences almost certainly will arise not only over interpretation of the plan itself but also over what each side has agreed to.

The draft federal constitution is to be ready for Adoula to present to parliament in late September. Tshombé has been asked to present his views, however, and this may create delays. The Katangan leader regards a new constitution as the core of the UN plan, and he has hinted that Katanga's financial and military integration hinges on the production of a "gen-

uinely" federal constitution. The constitution, moreover, will have to win the approval of the Congolese parliament and all the provincial assemblies, and might even, as Tshombé has suggested, be submitted to a popular referendum.

UN officials in Leopoldville are becoming concerned that parliament may not get around to ratifying the constitution at all. President Kasavubu and Interior Minister Kamitatu have indicated that the body will be in no hurry to do so and will probably examine each article carefully.

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Furthermore, there is likely to be new political maneuvering in Leopoldville among the anti-Adoula parliamentary bloc. Last July this bloc, which Tshombé has supported, failed to topple Adoula but prevented him from getting absolute majority approval of his re-organized government. Tshombé's interest in supporting this group's efforts again would presumably be to win another breathing spell.

The escape of South Kasai "King" Albert Kalonji, jailed last December, appears to have been masterminded by Minister of Interior Kamitatu, who has been working for the release of Kalonji, as well as of Antoine Gizenga.

Kalonji on his return to the South Kasai capital vowed that he is devoted to the central government, but the Elisabethville press reports that Kalonji has invited Tshombé to the province to "renew amicable relations." Kalonji is a minor figure on the "conservative" end of the Congo's political spectrum, but with his own 2,500-man South Kasai Army and backed by revenues from diamond mining, he could be another disruptive element in a Congo

settlement. He had been arrested partly to undercut radicals who opposed the arrest of the leftist Gizenga.

Kalonji's release now may presage the release of that former Stanleyville leader. Adoula, although acutely aware of the dangers of such a move and of the propaganda advantage it would give Tshombé, may feel that it would relieve radical pressures on him.

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Leopoldville and Katangan military forces continue to jockey for position in North Katanga, on the assumption that possession will prove nine-tenths of the law regarding the area's eventual disposition.

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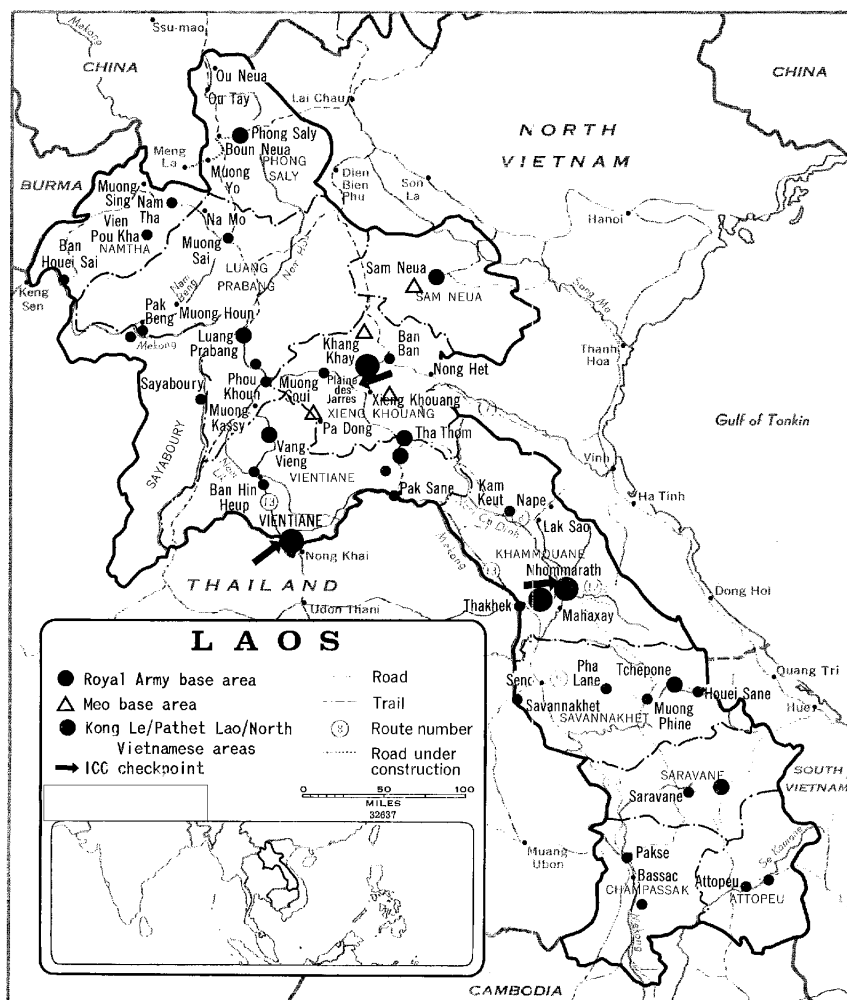
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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****LAOS**

There are continuing indications that substantial numbers of North Vietnamese troops are withdrawing toward the border. It is probable, however, that at least some of these troops are not returning to North Vietnam, but are being located in inaccessible re-

gions in eastern Laos. These troops presumably would remain in Laos to stiffen Pathet Lao forces, but would be in position either to disperse or to retire to North Vietnam should the International Control Commission or a similar body initiate inspections.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

Meanwhile, Souvanna Phouma, probably in an effort to drum up popular support for the coalition, has embarked on a tour of several rightist-held towns in central and southern Laos.

Souvanna has expressed confidence that later he would visit such Pathet Lao strongholds as Sam Neua, Tchepone, and Nam Tha. He has not specified when he will do so, or whether any rightist elements would accompany him; nor is it certain that the Pathet Lao will allow him to make the trip. They show no inclination to open up their territory and are continuing efforts to consolidate their control in the country.

The coalition government is in the process of establishing diplomatic relations with North Vietnam and Communist China but apparently plans to defer action on North Korea and East Germany. Although Pathet Lao propaganda has declared that the Council of

Ministers on 4 September approved the exchange of representatives with the Communist German and Korean regimes, the director of protocol in the new government subsequently stated that "no action will be taken" on their requests for agreement.

Nationalist China--adamantly opposed to any "two-China" arrangement--announced the severance of diplomatic relations with Laos on 7 September. In Taipei, Foreign Minister Shen asserted that the action had been taken only after it became evident that the Nationalist ambassador was being treated as a "second-class, 'nonrecognized'" representative.

South Vietnam has special interests in Laos and is reluctant to leave the field to the Communists. It has recalled its ambassador for consultations to determine whether some modus vivendi can be worked out.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SOUTH VIETNAM**

Viet Cong guerrilla action has again picked up after several weeks of decline. Activity has been small-scale but widespread, including attacks against regular and paramilitary government forces, ambushes, and sabotage of road and rail facilities. The aggressiveness displayed in these actions demonstrates that the Viet Cong have been able to absorb losses inflicted by sustained government security operations.

The Viet Cong also retain the capability for coordinated attacks involving several battalions. There are continuing indications of possible preparations for a large-scale effort, which would be intended primarily for psychological impact to offset recent government successes.

The government's military efforts show steady improvement in coordination and flexibility. The airborne operations, par-

ticularly, are proving increasingly effective in seizing the initiative and keeping the Viet Cong off balance. Making contact with sizable Viet Cong formations is still difficult, however.

Government efforts to provide security for the peasants and obtain their support are also showing progress. These efforts center on the strategic hamlet construction program and provincial rehabilitation projects.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****CEYLON**

The failure of Ceylonese Prime Minister Bandaranaike to make any significant economic headway during her two years in office is increasing political pressure on her government. This pressure comes both from within the cabinet and from the opposition. The government seems able to withstand the current wave of maneuvering and rumored plotting against it, but in the process may be losing some of its original strong popular support.

The resignation on 25 August of Finance Minister Felix Bandaranaike, the prime minister's nephew, highlighted the sharp disagreement within the cabinet over economic problems. External assets have steadily declined, budget deficits have risen, and the many development plans have not been carried out.

In his budget speech in July, the finance minister introduced some highly unpopular fiscal measures designed to reduce government spending and conserve foreign exchange,

including a 25-percent reduction in the government-subsidized rice ration. The cabinet had originally gone along with this latter proposal. However, when the opposition whipped up widespread popular feeling against it, the cabinet eliminated it rather than risk defeat. As a result, the strong-willed minister resigned, but he continues as parliamentary secretary to the Prime Minister and retains considerable influence as her chief political adviser.

This dispute touched off a rash of political controversy. Leftist forces claim that they forced withdrawal of the rice cut, and long dissatisfied conservative elements have become more depressed.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

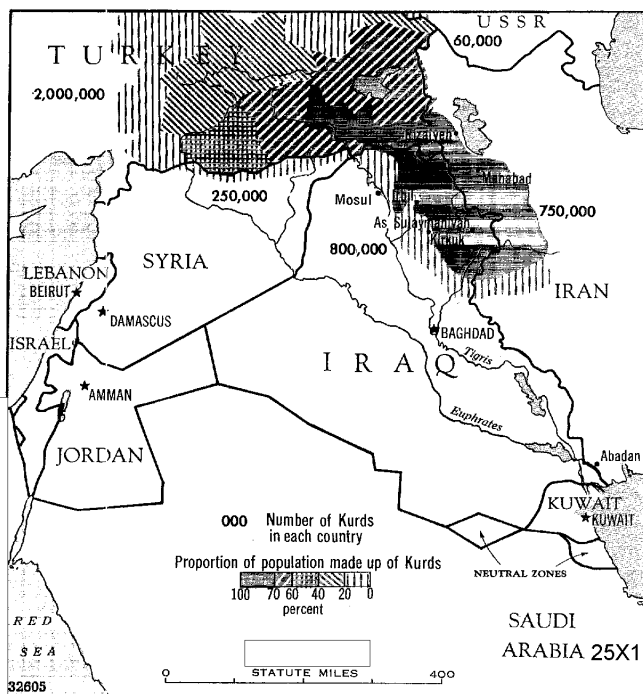
IRAQ

Iraqi Prime Minister Qasim's political prospects still seem bleak. Nearly every political element in Iraq is arrayed in some degree against him. Civilians are disaffected with his failure to fulfill promises to return to constitutional government and hold parliamentary elections. Army officers are blaming him for the army's inability to make headway against the Kurdish rebels.

The handling of the Kurdish rising remains the regime's most conspicuous failure. The revolution of 1958, followed by massive re-equipment with Soviet materiel, was supposed to have transformed the army from an imperialist-dominated police force into the strong arm of Iraqi nationalism. For over a year this army has been engaged against the Kurds; over half its 70,000 men are committed to this campaign. The Kurds appear as tough as ever, however, and indiscriminate bombing of Kurdish villages by the Iraqi Air Force has alienated even many of those who were not followers of rebel leader Mulla Mustafa al-Barzani.

his severe restrictions on ammunition supplies and on the actions of his subordinates militate against a sudden movement by disloyal army elements. However, this does not preclude his assassination by an individual or small group, and chances are strong that he will be overthrown in this way--probably by military rather than civilian opponents.

The Communists, while not wholly satisfied with the Qasim regime, apparently feel that any change would be for the worse and have been distributing pamphlets warning against the dangers of a



"reactionary coup"--Communist terminology for a blow struck by Arab nationalist elements.

Qasim's policy of playing one group off against the other and shifting suspected officers from command to command, and

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****BRITISH GUIANA**

Political maneuvering in British Guiana is growing more intense in advance of the London conference on independence, now contemplated for late October. Dissatisfaction with Premier Jagan seems to be increasing among the East Indian population, although not to the point of challenging his leadership of the People's Progressive Party (PPP). The opposition to him remains seriously divided, and is unable to agree even on a position to take at the forthcoming conference.

A few of Jagan's governmental colleagues are displaying increased restlessness. Legislative Assembly Speaker Gajraj, a Moslem leader who has been disenchanted with Jagan for some time, recently said he would break with the PPP on the ground that Islam and Communism are incompatible. However, Jagan apparently cannot constitutionally force him out of office, and Gajraj now has indicated he will not resign. The US consul general believes Gajraj is essentially an opportunist and in any case lacks the drive to sustain an effort to build an anti-Jagan opposition. He appears to be only another unsuccessful challenger to Jagan's leadership.

Attorney General Ramsahoye also appears discontented but not to the point of resigning in an attempt to bring down the government.

Former PPP minister Rai, although he has skillfully attacked Jagan in the Assembly, has apparently made little effort to rally his personal supporters to form a rival party since his ouster from the government in June.

The Jagan government's draft constitution for discussion at the independence conference provides for a republic--to be called "Guyana"--within the Commonwealth. Jagan has refused to accede to opposition

demands for new elections before independence using a system of proportional representation. People's National Congress leader Forbes Burnham, now visiting the US, is particularly insistent on introducing such a system, because he believes it would give his party substantially increased representation in the Legislative Assembly. In the last election the PPP gained a plurality of only 1.7 percent over Burnham's party, but obtained nearly twice as many seats.

Jagan might accept a delay of independence of as long as three years provided a definite date is set and US and British financial assistance is assured. The consul general believes, however, that this version of Jagan's position reflects only his harassed state of mind, and is unlikely to be accurate. The consul believes also that the PPP may take some sort of "sudden rash action" if an independence date is not set soon.

Trade ties and student exchanges with Cuba and the bloc are increasing. The first bloc trade agreement--for the sale of rice to Czechoslovakia--was concluded in July. A new trade agreement with Cuba, primarily for additional rice sales to Havana, has just been concluded. There are now 17 students from British Guiana known to be in Moscow, plus 26 en route; there may be as many as 60 in Cuba.

Janet Jagan was received with much fanfare during her August visit to Peiping, but no substantial Chinese Communist aid is likely to be forthcoming.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY
SWEDEN**

Osten Unden, Sweden's foreign minister since 1945 and widely regarded as the architect of its alliance-free foreign policy, has announced his intention to resign later this month. He is expected to be succeeded by Torsten Nilsson, now minister of social affairs. Unden is disliked by the dominant right wing of his own Social Democratic Party as well as by the opposition bourgeois parties [redacted]

His long tenure and prestige, however, gave him virtually a free hand at the Foreign Ministry. The party leadership has indicated it wishes to replace him with a less controversial figure more responsive to party views on foreign policy.

The 57-year-old Nilsson, who became an active union and party member during his youth as a bricklayer, is a typical example of the second generation of Swedish Social Democrats who have advanced solely by means of their association with the party. One of the most influential and popular figures in the party, Nilsson is staunchly pro-Western in outlook. As defense minister during the period 1951-57, he built up the defense establishment, and strengthened ties with Sweden's NATO neighbors Norway and Denmark. He lacks the prestige and authority of Unden, however, and is handicapped by limited experience beyond the domestic field.

**NILSSON**

Prime Minister Erlander is expected to play a much more prominent role than previously in foreign policy decisions and Nilsson probably will rely more on career officials in the ministry than did Unden in formulating policy. Although no marked change is likely, Sweden probably will play a more passive role in international affairs, in contrast to Unden's proposals and initiatives which were often embarrassing to both Sweden and the West.

As the new foreign minister, Nilsson's views may be decisive in determining the final outcome of the two major issues confronting the Swedish Government: acquisition of a domestic nuclear weapons capability, and relations with the Common Market. On the question of EEC ties, he will be more flexible than Unden, who has stressed the limits imposed on cooperation with Western Europe by Sweden's policy of neutrality.

On the issue of nuclear weapons, Nilsson is expected to support acquiring them if prospects continue to fade for an agreement on disarmament. He and the cabinet will be primarily concerned, however, with avoiding an open rift in the Social Democratic Party. Unden, as the left wing's most stalwart member and spokesman, has been strongly opposed to acquisition of nuclear weapons. The left wing's threat to leave the party influenced the leadership in 1959 to postpone until 1963 a decision on this controversial issue.

Other cabinet changes precipitated by Unden's resignation are likely to follow the local elections of 16 September. Although of no great significance otherwise, the election outcome may have some bearing on the individuals chosen by the party leadership to fill other cabinet posts. If the outcome indicates that the left wing is disgruntled and in sizable numbers either had voted Communist or had failed to vote at all, the leadership would probably feel compelled to make some conciliatory gesture to this faction in making the appointments. [redacted]

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****DE GAULLE'S VISIT TO WEST GERMANY**

During his 4-9 September tour of West Germany De Gaulle went to extraordinary lengths, even for him, to win popular support for himself and his European policy. Foreign Minister Couve de Murville described the visit as intended "to submit the policy of the French and German governments to the people for approval." De Gaulle thus apparently regarded it as akin to the appeals to the people he has often successfully launched in France. This, however, was his first such venture in the broader European context.

Virtually all West German comment hailed the unexpectedly enthusiastic welcome given De Gaulle as an impressive demonstration of Franco-German reconciliation. The American ambassador in Bonn viewed the visit as at least temporarily strengthening Adenauer's hand in seeking to make progress on European political integration without waiting for an agreement on the terms of Britain's accession to the EEC.

Many newspapers warned, however, against permitting the increasing rapprochement with France to damage either the larger concept of a united Europe or Bonn's close alliance with the United States. The influential *Die Welt*, for example, asserted that "close cooperation with France is desired as a firm link in the chain of Western solidarity, but is not an exclusive friendship." Economics Minister Erhard stated publicly on 10 September that "apart from France, we must seek and establish friendship with the whole free world... integration must not stop at the six Common Market countries but should include the whole of Western Europe."

De Gaulle's speeches, although well received by the German public, raised strong objections from representatives of the smaller Common Market members--notably Belgium's Spaak, one of Europe's strongest pro-integration leaders.

Spaak has commented to US Ambassador MacArthur that De Gaulle is apparently offering Benelux not a unified Europe, but a Franco-German alliance which "De Gaulle will generously permit" the Benelux countries to join as satellites. Spaak says he is willing to continue working with France and West Germany toward an integrated Europe, but has no intention of joining France and Germany in the establishment of a European alliance from which "the Anglo-Saxons" are excluded.

De Gaulle's public statements on the need for closer French - West German ties were couched in general terms. Officials connected with the visit deny that any specific institutional steps were considered and, according to West German press chief von Hase, the strengthening of contacts between France and Germany as cited in the official communiqué of 7 September will not require special institutions.

Although subordinates on both sides have denied that anything occurred during the visit to open the way for a joint nuclear weapons effort, and even that the nuclear weapons problem was discussed, De Gaulle publicly urged "organic coordination" of the two armed forces as required by "modern necessities." De Gaulle specifically mentioned coordination of research, financing, and industrial capacities.

Extensive Franco-German joint projects in the development of conventional weapons, logistics, and troop training are already in progress, but De Gaulle's statement at the Hamburg military school went beyond the official communiqués in advocating cooperation on "modern" problems. From the French side, at least, the statement appears to offer sufficient leeway for lower level, unpublicized agreements in the nuclear weapons field covering the exchange of technicians and possibly some West German financial aid.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****POLITICAL DEVELOPMENTS IN FRANCE**

De Gaulle is expected to announce shortly a referendum on his proposal that the constitution of the Fifth Republic be amended to allow election of his successor by universal suffrage. He will presumably use the attempt on his life last month as justification for such a direct appeal to the electorate. The tactic would permit him to circumvent hostile groups in parliament which could block him if he followed the alternative means of going through parliament to amend the constitution. De Gaulle may be strongly criticized, however, on the ground that the referendum procedure is unconstitutional.

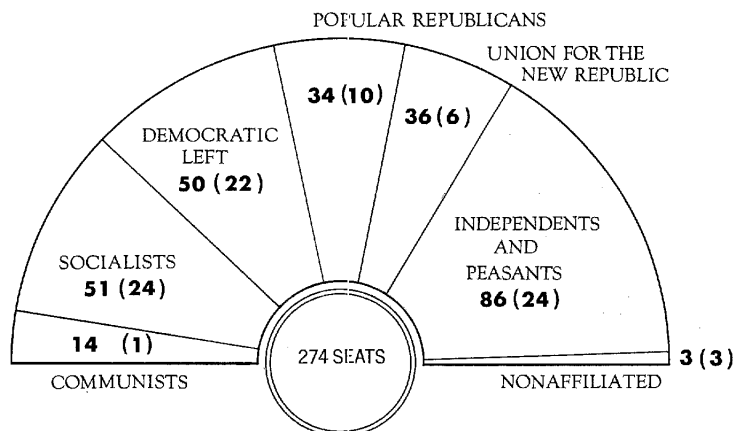
There has been speculation that De Gaulle would welcome a move by the National Assembly

to censure the government over the referendum proposal. He could then dissolve the Assembly and precipitate new elections for this body at the same time as the referendum. Candidates pledged to support him thus would receive the benefit of the public backing he enjoys on the issue of direct election of the president. Assembly elections have been expected to occur next spring.

The decision on 11 September to bestow the prestige of cabinet rank on Christian Fouchet, former high commissioner in Algeria, has led to speculation that De Gaulle is grooming a successor to Premier Pompidou. Some commentators see the move as giving De Gaulle an alternative to dissolution of the Assembly should Pompidou suffer

**PARTY
STRENGTHS
IN FRENCH
SENATE**

SEPTEMBER 1962



(00) SEATS UP FOR REELECTION - 23 SEPTEMBER

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

a vote of censure over the referendum issue. Fouchet is a Gaullist of long standing and would be an acceptable replacement for Pompidou if De Gaulle decided not to risk elections this fall.

Other commentators maintain, however, that De Gaulle instead is planning early dissolution of the Assembly in order to set a precedent for a successor who might otherwise be hesitant about dissolving an assembly before its term.

Mounting interest in the prospective referendum has overshadowed the senatorial elections of 23 September, in which no noteworthy shifts are expected. There has been little change in the composition of the senatorial-electoral college which put all the incumbent senators in office in 1959, and few of the seats at stake in the current election are likely to change hands.

PROCEDURES FOR FRENCH SENATORIAL ELECTION

An election for France's 274-seat Senate is held every three years. For these elections the country's 90 departments are divided in alphabetical order into three groups of approximately equal population. In each election senators from one of these groups are chosen for nine-year terms. This year's election will be held in the first 37 departments, as determined by lot in 1959 after the entire Senate was renewed. In addition, senators will be elected in French Guiana and Polynesia.

Senators are chosen in each department by an electoral college composed of National Assembly deputies, members of departmental councils, and delegates of municipal councils. In departments entitled to less than five senators, the outcome is decided by majority vote, and a second ballot is held where necessary. Elsewhere--this year only in Bouches-du-Rhone--a system of proportional representation is used.

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While De Gaulle had earlier been reported considering a drastic revision of the Senate's composition and powers and a severe curtailment of its legislative role, he does not seem to have such a proposal in mind at present. Should the elections reduce his relatively small majority in the upper chamber, however, he might be influenced to seek to make it a purely consultative body before the next Assembly elections.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SPECIAL ARTICLES****THE EAST GERMAN ARMED FORCES**

The armed forces of East Germany, with Soviet assistance, have continued a gradual build-up which is probably intended chiefly to make East Germany a more effective member of the Warsaw Pact alliance. They now have a capability for conducting limited defensive operations and maintaining order within the country except in the event of widespread revolt. Khrushchev's threats to conclude a peace treaty with the Ulbricht regime have not been accompanied by any substantially increased flow of Soviet military aid or other sudden increase in East Germany's armed strength. Despite the adoption of conscription by the army for the first time this year the number of personnel under arms remains about what it was last year, and no new major military units have been created.

The Army

The 90,000-man East German Army (EGA) has four infantry and two tank divisions. These units--organized, equipped, and trained on the Soviet pattern--are believed to be at about 80 percent of wartime strength. They are dispersed evenly throughout East Germany, and there have been no recent moves suggestive of a changed mission for any of them.

analysis of military exercises indicate that the wartime mission of the EGA would be to defend against a NATO attack and, in conjunction with the 20 Soviet divisions in East Germany, to spearhead a counter-attack which would be followed up by an offensive by Soviet troops now in the western USSR.

Thus far the Soviets have not supplied the East Germans--or any of the other satellites--with large free rockets or

ballistic missiles which are used by Soviet military units as nuclear weapons delivery vehicles

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there is no evidence that East Germany's air force is trained in the use of nuclear weapons for ground support missions.

The EGA--as well as the other satellite armies--is being given increasingly extensive experience in combined exercises with other bloc forces. EGA units have trained with the Soviets in East Germany and with the Poles in Poland. There are indications that the largest Warsaw Pact exercises to date will be held this fall. These may involve the movement of EGA units to Poland and Czechoslovakia.

EGA armor, artillery, and motorized transport are of Soviet and Czech manufacture. About two thirds of the 1,575 EGA tanks are T-34 medium and JS-2 heavy tanks of Soviet World War II design. There is no evidence of any priority attempt to replace these with later models or to increase their numbers.

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During the past year the eight brigades of the East German Border Command were made subordinate to the Ministry of Defense and reorganized along the lines of army units. This may have been done to facilitate the eventual conversion of these brigades to army divisions. Thus far, however, they have not been given enough heavy arms to change their basic capabilities, and there is no indication that this will be done in the near future.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****The Air Force**

During the past year the USSR has augmented the East German Air Force (EGAF), heretofore quite small. More than 200 Soviet jet fighters have been delivered, and a more comprehensive and realistic training program has been provided for EGAF personnel. When this program is completed and all the fighters are integrated into operational units, it would permit an expansion from the present six understrength regiments to nine full-strength operational fighter regiments and allow a wider geographic disposition.

The EGAF now has some 370 jet fighters, about 10 Beagle (IL-28) jet light bombers, 30 helicopters, about 25 piston light transports, and some jet trainers. Some Fishbed-C (MIG-21) Mach 2 fighters recently were assigned.

Although only about 50 EGAF fighters are known to have some all-weather intercept capability, this number may have been increased with the past year's delivery of jet fighters. Even the Fishbeds are limited to air intercepts under conditions of good visibility because of their "range-only" radars.

Some EGAF fighters are known to be equipped with anti-aircraft missiles, but the bulk of the force--about 200 aircraft--are Fresco (MIG-17) types, and few, if any, of these are missile-equipped.

The present deployment of EGAF units is confined to the eastern half of East Germany. No westward deployment of bases has been noted--a move which

could be expected if the EGAF were to assume broader responsibilities for the defense of East Germany or for interference with traffic in the Berlin air corridors on a continuing basis.

The intended role of EGAF Beagles is not clear. They might form a small unit for utility and reconnaissance functions, but the force would have to be augmented before it would provide any significant strike capability.

The East Germans have about 50 radar sites available for early-warning purposes and ground control of fighters.

Missile and Antiaircraft Capabilities

Surface-to-air missile (SAM) defenses under control of the East German military forces are gradually expanding and improving. During the past six months additional SA-2 (six-launcher) SAM sites have been activated and SAM-associated training exercises have been increased. Of the approximately 30 operational SA-2 sites identified throughout East Germany, at least 11 are believed to be under the control of East German military forces with the remainder under Soviet control.

Four of the East German sites are located in a semi-circle just north and east of Berlin and thus would appear to have a marginal capability for interfering with Western flights in the air corridors near the city. The Berlin area sites are manned by four SAM battalions controlled from a regimental headquarters at Ladeburg, the central support facility. Four additional EGA

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

support facilities without launch sites are located west and south of the city and may eventually complete an eight-site SAM ring. The remaining East German SAM sites primarily defend selected targets in northern East Germany, some near the Baltic coast.

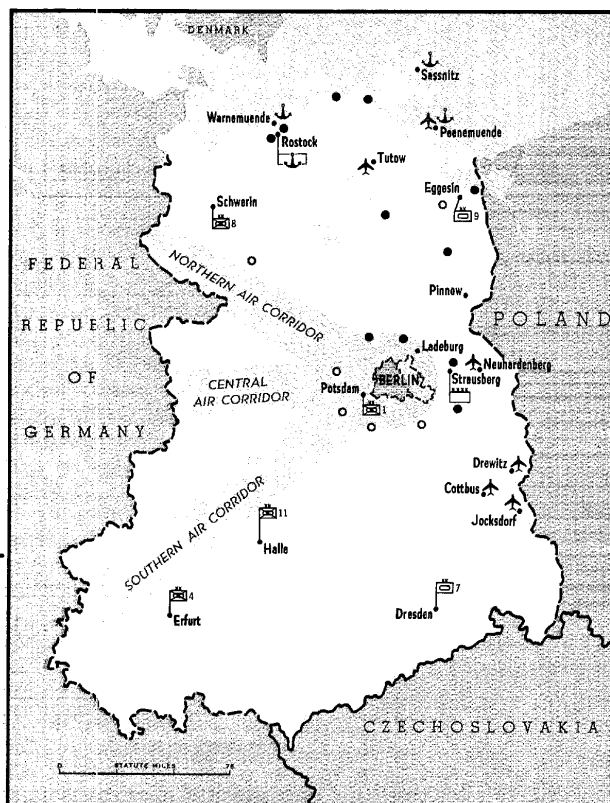
At least six additional East German SAM sites are reported to be in various stages of completion but there is no confirmation these are operational. A limited number of mobile SA-2s may be organic to the East German Army.

To date, at least three East German SAM regiments, each consisting of four firing battalions, have been activated and have undergone training at Pinnow. On the basis of the pace of this training since November 1960, it is estimated that between one and two regiments could be added each year.

Weapons available to the East German Army's antiaircraft artillery (AAA) regiments consist of about 875 light AAA guns. These include 400 of the improved 57-mm. type--some twin-mounted on tank chassis--and 200 of the 100-mm. medium guns. Three of the AAA regiments--one at Potsdam in the Berlin area, and one each at Erfurt and Halle just south of the boundaries of the southern air corridor--could pose a threat to Allied air traffic at lower altitudes.

Naval Forces

The East German Navy (EGN) is primarily a coastal defense organization but is developing its patrol and antisubmarine warfare capabilities. The navy has a few helicopters, but no air arm or coast artillery branch.

**EAST GERMAN MILITARY FORCES**

- Army headquarters
- Motorized division
- Tank division

- Surface-to-air missile (SAM) site
- Confirmed
- Incomplete/probable

- Fighter base
- Naval headquarters
- Naval base

Military Strengths

Army	90,000
Border Command	40,000
Security Alert Police	22,500
SAP (Berlin)	4,500
Navy	11,000
Air Force	8,000
Total	176,000

Air Force

Jet fighters	370*
Light bombers	10
Helicopters	30
Light piston transports	25
Total aircraft	435
Total fighter regts	6

*Totals do not include fighters used in reconnaissance or training role nor any Fubred C (MiG-21) fighters.

Surface-to-Air Missile (SAM) and AAA

Confirmed SA-2 sites	11
Incomplete SA-2 sites	6
AAA guns	875

Operational ships include four Soviet-designed Riga-class destroyer escorts, 51 patrol vessels and torpedo boats, 34 auxiliary vessels, and numerous service craft. The navy may have absorbed the East German Coast Guard, which has 1,000 men and 50 small surface units. 25X1

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

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mands. At this time the SAP probably numbers about 22,500, but this force may be scheduled for expansion.

The Interior Ministry's civil police force, probably numbering 60,000 men and women, has no military role and in a crucial situation probably would not be reliable.

Electronic Warfare Capability

The East Germans have only a modest capability of their own to wage electronic warfare (ECM) against flights in the Berlin corridors.

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The largest paramilitary force--the Kampfgruppen--is believed to total 300,000 persons. It has elements in all important factories and establishments in East Germany. Kampfgruppe members are chosen primarily for political reliability. During the last two years they have been given more rigorous training, and the majority have probably been integrated into the regular military reserve structure. Under present circumstances the Kampfgruppen probably could be used to maintain order in industrial plants, but they have only a marginal military capability. Until recently Kampfgruppe units were equipped with World War II infantry weapons. Since the 1961 Berlin crisis some units have received modern small arms, and a few battalions reportedly have mortars, anti-tank guns, and field pieces.

Paramilitary Forces

Germany's police and paramilitary forces have the primary missions of ensuring internal order, preventing escapes to West Germany, and assuring that the restless population continues to fulfill regime plans.

The most reliable element, the Security Alert Police (SAP), now is undergoing reorganization, the details of which are not yet clear. The two SAP brigades posted on the sector and zonal borders of West Berlin were subordinated to the new East German commandant of East Berlin following the abolition of the Soviet commandant's office and now are reported to be subordinate to the East German Army. SAP units in the 14 East German districts are being subordinated to district People's Police com-

Conscription

East Germany enacted compulsory military service on 24 January 1962 after the regime had acted effectively to block the escape of East Germans to the West. A major reason for introducing conscription was the poor showing of the all-out recruitment campaign in the fall of 1961. The move also permits the regime more easily to allocate its scarce manpower resources between the armed forces and industry.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

Under the conscription laws all East German males between the ages of 18 and 50 are subject to military call-up. During a "state emergency of defense" the age limit is extended to 60. Moreover, all men liable to military service and officers up to age 60 are included in the reserve and are subject to annual refresher training, whether they have served on active duty or not. Women between the ages of 18 and 50 are also subject to service in support functions.

In February 1962 about 550,000 youths between the ages of 18 and 22 were registered and in July and August about 400,000 in the 23-26 age group were registered. About 75,000 of the former group have been inducted into the armed forces, and about 50,000 of the older group are expected to be inducted in October. However, the number of inductees normally would be offset by releases of eligible two-year enlistees throughout this year.

About 250,000 East Germans constitute a qualified, trained reserve not now on active duty. It is estimated that within 180 days after mobilization was ordered, East German forces could total 450,000. East Germany has about 3,352,000 men between the ages of 15 and 50, about three fourths of whom are believed physically able to perform military duties. About 1,074,000 of these are in the 18-26 age group.

Ulbricht reserves to himself, under a law of 21 September 1961, sweeping powers

to declare a "state of defense" under which the National Defense Council, which he heads, can assign East German citizens to "personal services" as desired, alter arbitrarily production and financial plans, suspend constitutional "guarantees," and requisition property. The law provides that all males from 16 through 65 and females from 16 through 60 can be enlisted for compulsory civil air defense service.

Defense Expenditures

Available information does not suggest that there has been any great or sudden increase in East German defense expenditures for weapons procurement, construction of new military facilities, or conversion of a significant number of industrial plants from civilian to military production. The announced figure for military expenditures remained virtually constant at 1 billion East marks (\$250 million) per year between 1956 and 1961. This is only about 2 percent of the total budget, although the figure is believed to represent only personnel costs. This year the announced figure was increased to 2.7 billion East marks (\$675 million), or 4.9 percent of the total budget. Part of this increase may be explained by some rise in personnel costs in 1962, and part may be the result of a decision to publicize a larger fraction of total East German defense and security expenditures.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****KHRUSHCHEV, CEMA, AND THE CHINESE**

In a recent major policy statement, Khrushchev has clarified the double task which he envisages for the Communist bloc's Council for Mutual Economic Assistance (CEMA). He is planning to have CEMA take a more active role in achieving the economic integration of its member states as one means of countering the growing impact of the European Common Market (EEC). He is also using it to exert economic pressures on those Communist countries, led by the Chinese, which were excluded from membership at the June meeting of CEMA because they refuse to give the Soviet Union unqualified support.

This twin task--begun at the 7 June meeting of CEMA countries' first secretaries--is the burden of an article under Khrushchev's signature entitled "Vital Questions of Development of the World Socialist System." First published in the September issue of the Marxist international journal Problems of Peace and Socialism, the article was given additional weight by being reprinted in the authoritative Soviet doctrinal journal Kommunist.

CEMA and the Common Market

Moscow has become increasingly strident in its denunciations of the EEC but at the same time seems to be setting the stage for working relations with that organization as it becomes the major economic force in Europe. Both these elements were present in Khrushchev's statement and were the underlying theme of the conference of Communist economists which convened in Moscow on 27 August.

In his article, Khrushchev excoriated the Common Market as a "monopolist amalgamation" set up to isolate the bloc from favorable European trading arrange-

ments and to draw neutrals into the military schemes of NATO and SEATO. In contrast, he presented the bloc economic grouping as a model for the "international division of labor" which permits each country to develop its specialized economic skills to the utmost.

To reinforce this image, Khrushchev enumerated a number of ways in which the economic integration of CEMA member countries is to be hastened. These include plans for a joint electric power network, pooling of capital investment resources, and possibly the establishment of a "collective bank of socialist countries."

To satisfy the demands of Marxist ideology, Khrushchev asserted that these plans would accelerate the "historical quarrel between socialism and capitalism" and inevitably result in the "replacement of the capitalist system by the socialist on a world scale." At the same time, however, Khrushchev implicitly admitted that EEC was a clear success and he hinted that he expected developing trade between it and CEMA.

CEMA and the Chinese

Khrushchev's article brings into the open the division of the Communist world into Moscow-led and Peiping-led components which was implicit in the acceptance of Mongolia as a full member of CEMA at the 7 June meeting and the exclusion of China, North Korea, North Vietnam, and Albania. The article features a sharp polemic against "people who call themselves Marxists"--i.e., the Chinese. It accuses them of "scholasticism" and at the same time rejects their thinly veiled charge that Moscow is guilty of "economism," a cardinal Marxist sin. In

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mid-May Peiping's doctrinal journal Red Flag, ostensibly in a discussion of Lenin's What Is To Be Done, had attacked economism, with the Soviet Union as its obvious target.

Even more striking is Khrushchev's division of the "socialist camp" into CEMA members, whose industrial development is sufficiently advanced to permit them to enter into a system of international division of labor, and unnamed others with whom CEMA members "are developing broad economic ties, facilitating the maturing of conditions for their still broader economic cooperation." The implied differences between CEMA and non-CEMA members of the bloc are so great as to postpone almost indefinitely the latter group's association with CEMA. Khrushchev also argues strongly against autarkic development of the satellites' economies, a development which Peiping favors for itself.

The Chinese Response

The increased economic and political pressure which Khrushchev is exerting through CEMA and the Soviet rapprochement with Yugoslavia have spurred the Chinese into a renewed polemical defense of their own positions. The new open antagonism of the Chinese may also be a reflection of the stepped-up behind-the-scenes maneuvering between the two countries for a tactical advantage over the other.

The Soviet Union has sent letters to China, and has inspired letters from other Communist parties, suggesting that the dispute could be handled by "consultations" among the parties. The USSR, however, wants such meetings to cover the issues in dispute, other than Albania, and the ground rules the Soviets would want--majority decision--would obviously

result in a Soviet victory. The Chinese have responded with letters of their own, and have inspired letters from their supporters, suggesting that the meeting discuss primarily the question of Albania and that it be governed by the principle of unanimity.

Two recent statements by Chinese Foreign Minister Chen Yi also suggest that the USSR has tried to pressure the Chinese into accepting its demands. On 23 August at a Rumanian Embassy reception on the occasion of the 18th anniversary of the Rumanian liberation, Chen Yi reiterated Peiping's thesis that common views must be worked out through consultations among equal parties and that violation of this principle, or "attempting to impose one's views on others," is detrimental to the unity of the bloc and the international movement. This was the first open statement by a regime leader on this question since December 1961. In an even stronger statement at a North Vietnamese anniversary celebration, Chen Yi noted that "we have never forcibly imposed our views on others, nor replaced comrade-like discussions and consultations with mutual interference in inter-nation affairs."

The Chinese had been restricting their polemics to successive articles in Red Flag, but during the last two weeks there has been a significant increase in attacks on the Soviets in other publications and forums. On 1 July, Red Flag had attacked "revisionists" for their ideas on the "parliamentary road to socialism" and pointed out that French and Italian Communist parties had lost ground by following this "road." On 16 July, Red Flag carried an article on "sophism" which attacked "revisionists" and their "anti-Marxist distortions."

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In early September, Red Flag launched an outright attack on Yugoslavia--a move which points up the direct contrast between Peiping's continuing enmity toward Belgrade and Moscow's efforts to improve Soviet-Yugoslav relations. The latest issue of the Soviet journal New Times, for example, carries an article praising Yugoslav foreign policy. In July, while a Yugoslav economic team was in Moscow, an agreement was reached that will allow Yugoslavia to take part soon in some CEMA subcommittee meetings, and on 1 September Moscow announced the dates--24 September to 4 October--for titular President Brezhnev's visit to Belgrade.

On 25 August the Chinese People's Daily carried a glowing account of the 20-year history of Albania's official newspaper Zeri I Popullit, which it characterized as "waging a resolute and uncompromising struggle for defending the purity of Marxism-Leninism and opposing modern revisionism." People's Daily chief editor Wu Leng-hsi, at the Albanian Embassy reception that evening, added his congratulations to Zeri I Popullit for its "unremitting opposition to modern revisionism as represented by the Tito clique of Yugoslavia."

The Chinese have renewed the attack on other issues as well. After suppressing their views on the importance of the national liberation movement at the Soviet-led World Peace Congress (WPC) disarmament conference in Moscow in early July, they reversed their tactics at the Tokyo ban-the-bomb conference in August.

The Chinese have described the Tokyo congress, in which they took the leading role, as the "most successful and significant world peace conference in 1962." Chinese speakers at a 27 August rally in Peiping singled out as "correct" positions the Tokyo designation of the United States as the "enemy" and the "clear" definition of the "correct" relationship between peace and the national liberation movement--elements absent from the WPC appeal.

Peiping's staunchest ally, the Albanian Communist Party, has also joined in the attack. On both 24 and 27 August, Albanian party leaders condemned Khrushchev by name. No such statement had been made since 16 July, and this followed four months of silence concerning Khrushchev.

While the Chinese have much to be angry over, including Khrushchev's rapprochement with Yugoslavia and the attempts to sell MIG-21's to India, the vehemence and depth of the renewed polemics suggest a more immediate cause.

negotiations may be under way attempting to establish a suitable agenda for another conference of world Communist parties. The Chinese offensive may be a reflection of Peiping's dissatisfaction with the course of the negotiations.

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